



**House
Legislative
Analysis
Section**

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UNSECURED SECOND MORTGAGE LOANS

APR 22 1989
MICHIGAN STATE LAW LIBRARY

House Bill 4470 (Substitute H-1)
Sponsor: Rep. Lad S. Stacey
Committee: Corporations and Finance

Complete to 4-19-89

A SUMMARY OF HOUSE BILL 4470 (SUBSTITUTE H-1) AS INTRODUCED 3-20-89

Public Act 125 of 1981 regulates those who deal in secondary mortgage loans (defined as loans of at least \$3,000 made to an individual or a business that are secured by a mortgage upon an interest in real property used as a dwelling subject to a prior mortgage). The bill would amend the act to specify that a secondary mortgage loan could include an "unsecured loan," which would be defined as a loan of \$3,000 or more made by a licensee to a person for personal, family, or household purposes not to be repaid in 90 days or less and not secured by any collateral. An unsecured loan would be subject to the act except for provisions specific to the taking, recording, or releasing of a junior lien on real property.

MCL 493.51

House Bill 4470 (4-19-89)